

**LEGISLATIVE SERVICES AGENCY
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FISCAL IMPACT STATEMENT

LS 7209

BILL NUMBER: SB 418

NOTE PREPARED: Jan 6, 2013

BILL AMENDED:

SUBJECT: Financial Literacy Instruction.

FIRST AUTHOR: Sen. Waltz

BILL STATUS: As Introduced

FIRST SPONSOR:

FUNDS AFFECTED: X GENERAL
X DEDICATED
FEDERAL

IMPACT: State & Local

Summary of Legislation: This bill requires financial literacy instruction in grade 6 through grade 12 in public schools, including charter schools, and accredited nonpublic schools.

The bill establishes a task force to develop guidelines and model curricula for financial literacy instruction. It establishes a state resource program for financial literacy.

The bill establishes the Financial Literacy Grant Fund to assist public schools, including charter schools, in implementing financial literacy instruction. It annually appropriates money in the fund for purposes of making grants.

Effective Date: July 1, 2013.

Explanation of State Expenditures: The bill creates the Financial Literacy Task Force to develop guidelines and model curricula in financial literacy instruction.

The task force would consist of 12 members appointed by the Superintendent of Public Instruction. The members are eligible to receive reimbursement for travel expenses but not salary per diem. The task force is required to an annual report to the Department of Education and State Board of Education by April 1 each year. The travel cost for the task force would probably be minor.

The bill also creates the Financial Literacy Grant Fund to make grants to schools to implement financial literacy instruction. The fund would consist of appropriation by the General Assembly, gifts, donations and

grants.

Explanation of State Revenues:

Explanation of Local Expenditures: Schools should be able to provide financial literacy instruction within their funding for curriculum development. Schools may have to substitute some courses to implement financial literacy instruction if it is a separate course but it can also be incorporated into other appropriate subjects, including mathematics, social studies, business, family and consumer sciences, and economics.

Instruction provided to students must be age appropriate and include the following areas:

1. Developing financial responsibility.
2. Managing personal finances.
3. Using credit and incurring debt.
4. Understanding savings and investing.

Explanation of Local Revenues:

State Agencies Affected: Department of Education.

Local Agencies Affected: Local schools and accredited non-public schools.

Information Sources:

Fiscal Analyst: Chuck Mayfield, 317-232-4825.